



State of Wisconsin
Department of Health and Family Services

Jim Doyle, Governor
Helene Nelson, Secretary

Hospital Diversion Program for SED Children

Change to Base	FY 04		FY 05	
	GPR	All Funds	GPR	All Funds
Funding to counties	(\$100,300)	(\$235,500)	\$100,300	\$110,900
Total	(\$100,300)	(\$235,500)	\$100,300	\$110,900

Description of Proposal

- Increases the flexibility in the use of hospital diversion funding.

Background

- Thirty-four counties operate Integrated Service Programs (ISPs) for children with severe emotional disturbances (SED). These programs provide community based “wraparound” services to approximately 2,697 children across the state in order to reduce the need for costly inpatient psychiatric hospital treatment.
- ISPs are used to help respond to the needs of children who are at risk of out of home placements or who are already in these restrictive settings and can be relocated to the community. It is estimated nationally that 3.75 million children need mental health services and only 20% of them receive treatment. Based on national research, it is estimated that in Wisconsin over 18,000 children need publicly funded mental health services.

Rationale for Proposal

- The Governor’s budget increases the flexibility of current hospital diversion funding by making funding available to counties that implement a Limited Service Health Organization (LSHO) or provide service coordination to SED children. This will enable two additional counties to implement ISPs to serve 125 children.
- Research done by DHFS has shown that after one year 21% of children in ISPs move into less restrictive settings and away from inpatient hospitals, correctional services, treatment centers, and group homes. In Wraparound Milwaukee there was a 25% reduction in criminal offenses between one-year prior and one-year after enrollment in an ISP. Research has also shown a 20% improvement in behavioral functioning within 6 months of enrollment.
- ISPs can reduce the costs of inpatient hospitalization.
- The funding needed for existing ISPs decreases somewhat in the 03-05 biennium. This frees up base funds to be used to fund new ISPs.
- The proposal does not require any new GPR funding.